

Delaware Investments National Municipal Income Fund  
Form N-Q  
February 28, 2014

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number:	811-07410
Exact name of registrant as specified in charter:	Delaware Investments® National Municipal Income Fund
Address of principal executive offices:	2005 Market Street Philadelphia, PA 19103
Name and address of agent for service:	David F. Connor, Esq. 2005 Market Street Philadelphia, PA 19103
Registrant's telephone number, including area code:	(800) 523-1918
Date of fiscal year end:	March 31
Date of reporting period:	December 31, 2013

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## Item 1. Schedule of Investments.

## Schedule of investments

Delaware Investments<sup>®</sup> National Municipal Income Fund  
December 31, 2013 (Unaudited)

	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds 147.23%</b>		
Corporate Revenue Bonds 15.78%		
Buckeye, Ohio Tobacco Settlement Financing Authority Asset-Backed Asset-Backed -2 Series A-2 6.50% 6/1/47	430,000	\$ 348,936
City of Valparaiso IN (Pratt Paper Project) 7.00% 1/1/44 (AMT)	240,000	241,685
Gaston County Industrial Facilities & Pollution Control Financing Authority (Exempt Facilities-National Gypsum Project) 5.75% 8/1/35 (AMT)	290,000	252,532
Golden State, California Tobacco Securitization Corporation Settlement Revenue (Asset-Backed Senior Notes) Series A-1 5.75% 6/1/47	1,000,000	743,190
Harris County, Texas Industrial Development Corporation Solid Waste Disposal Revenue (Deer Park Refining project) 5.00% 2/1/23	150,000	159,036
Illinois Railsplitter Tobacco Settlement Authority 6.25% 6/1/24	500,000	536,675
Louisiana Local Government Environmental Facilities & Community Development Authority (Westlake Chemical) Series A 6.50% 8/1/29 Series A-1 6.50% 11/1/35	645,000 255,000	706,617 272,932
Maryland Economic Development Corporation Facilities Revenue (CNX Marine Terminals) 5.75% 9/1/25	600,000	622,104
M-S-R Energy Authority, California Gas Series C 7.00% 11/1/34	1,000,000	1,231,190
Navajo County, Arizona Pollution Control Revenue (Arizona Public Services-Cholla) Series D 5.75% 6/1/34	500,000	551,225
New Jersey Economic Development Authority Special Facility Revenue (Continental Airlines project) 5.25% 9/15/29 (AMT)	500,000	457,395
Ohio State Air Quality Development Authority Revenue Environmental Improvement (First Energy Generation) Series A 5.70% 8/1/20	260,000	286,853
Pima County, Arizona Industrial		

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	Development Authority Pollution Control Revenue (Tucson Electric Power San Juan) 5.75% 9/1/29	250,000	254,093
	Salt Verde Financial, Arizona Gas Revenue Senior Note 5.00% 12/1/37	400,000	384,196
	St. John the Baptist Parish, Louisiana (Marathon Oil) Series A 5.125% 6/1/37	500,000	493,600
	Suffolk County, New York Tobacco Asset Securitization Series B 5.00% 6/1/32	750,000	731,460
	Tobacco Settlement Financing Corporation, Louisiana Asset-Backed Note Series A 5.25% 5/15/35	460,000	447,589
	Tobacco Settlement Financing Corporation, New Jersey Series 1A 5.00% 6/1/41	500,000	353,230
	Town of Shoals, Indiana (Amt-National Gypsum Project) 7.25% 11/1/43	310,000	307,709
			9,382,247
<b>Education Revenue Bonds</b>	<b>24.98%</b>		
	Bowling Green, Ohio Student Housing Revenue (CFP I State University project) 6.00% 6/1/45	260,000	256,903
	California Statewide Communities Development Authority School Facility Revenue (Aspire Public Schools) 6.125% 7/1/46	625,000	589,438
	California Statewide Communities Development Authority Student Housing Revenue (Irvine, LLC - UCI East Campus) 6.00% 5/15/23	470,000	504,611
	Deephaven, Minnesota Charter School (Eagle Ridge Academy Project) Series A 5.50% 7/1/43	500,000	467,580
	Delaware County, Pennsylvania Authority (Villanova University) 5.00% 8/1/20	390,000	447,326
	Health & Educational Facilities Authority of the State of Missouri (St. Louis College of Pharmacy Project) 5.25% 5/1/33	500,000	501,060

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## Schedule of investments

Delaware Investments<sup>®</sup> National Municipal Income Fund

	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds</b> (continued)		
Education Revenue Bonds (continued)		
Health & Educational Facilities Authority of the State of Missouri (Washington University) Series B 5.00% 11/15/30	600,000	\$ 658,404
Marietta, Georgia Development Authority Revenue (Life University Income project) 7.00% 6/15/39	430,000	428,461
Maryland Health & Higher Educational Facilities Authority (Loyola University) Series A 5.00% 10/1/39	650,000	659,152
Maryland State Economic Development Student Housing Revenue (University of Maryland College Park projects) 5.75% 6/1/33	370,000	377,045
Massachusetts State Health & Educational Facilities Authority Revenue (Harvard University) Series A 5.00% 12/15/29	600,000	654,936
Monroe County, New York Industrial Development Revenue (Nazareth College Rochester project) 5.50% 10/1/41	495,000	503,385
Montgomery County, Pennsylvania Higher Education & Health Authority Revenue (Arcadia University) Series ARCADI 5.25% 4/1/30	550,000	565,279
New Jersey Economic Development Authority Revenue (MSU Student Housing Project) 5.875% 6/1/42	735,000	767,230
New York City, New York Trust For Cultural Resources (Whitney Museum of American Art) 5.00% 7/1/31	500,000	516,995
New York State Dormitory Authority (Columbia University) Series COLUM 5.00% 10/1/41	600,000	632,766
Oregon State Facilities Authority Revenue (Concordia University project) Series A 144A 6.125% 9/1/30#	135,000	136,937
Pennsylvania State Higher Educational Facilities Authority Revenue (Edinboro University Foundation) 5.80% 7/1/30 (University Properties - East Stoudsbourg University) 5.25% 7/1/19	400,000	397,068
Phoenix, Arizona Industrial Development Authority Revenue	510,000	547,796

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	(Eagle College Preparatory Project) Series A 5.00% 7/1/43	500,000	425,155
	(Rowan University project) 5.00% 6/1/42	1,000,000	963,260
	Pima County, Arizona Industrial Development Authority Education Revenue (Edkey Charter School Project) 6.00% 7/1/48	500,000	443,235
	Private Colleges & Universities Authority Revenue, Georgia (Mercer University) Series A 5.00% 10/1/32	135,000	130,837
	St Lawrence County, New York Industrial Development Agency (St. Lawrence University project) 5.00% 7/1/26	270,000	296,773
	Swarthmore Borough Authority, Pennsylvania (Swarthmore College Project) 5.00% 9/15/32	490,000	525,398
	Troy, New York Capital Resource Revenue (Rensselaer Polytechnic) Series A 5.125% 9/1/40	600,000	605,520
	University of Arizona Series A 5.00% 6/1/39	500,000	521,150
	University of California Series AI 5.00% 5/15/32	1,000,000	1,071,010
	Wyoming Community Development Authority Student Housing Revenue (CHF-Wyoming LLC) 6.50% 7/1/43	250,000	256,363
			14,851,073
<b>Healthcare Revenue Bonds</b>	<b>21.20%</b>		
	Arizona Health Facilities Authority Revenue (Catholic Healthcare West) Series D 5.00% 7/1/28	500,000	510,960
	Brevard County, Florida Health Facilities Authority Revenue (Health First Project) 7.00% 4/1/39	90,000	96,773
	Butler County, Pennsylvania Hospital Authority Revenue (Butler Health System project) 7.125% 7/1/29	450,000	515,826
	Colorado Health Facilities Authority Revenue (Healthcare Facilities - American Baptist) 8.00% 8/1/43	330,000	323,558

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	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds</b> (continued)		
Healthcare Revenue Bonds (continued)		
Duluth, Minnesota Economic Development Authority Revenue (St. Luke's Hospital Authority Obligation Group) 5.75% 6/15/32	400,000	\$ 390,224
Hawaii Pacific Health Special Purpose Revenue Series A 5.50% 7/1/40	300,000	303,837
Illinois Finance Authority Revenue (Silver Cross & Medical Centers) 7.00% 8/15/44	950,000	1,024,452
Koyukuk, Alaska Revenue (Tanana Chiefs Conference Health Care Facility project) 7.75% 10/1/41	300,000	315,510
Louisiana Public Facilities Authority Revenue (Ochsner Clinic Foundation project) 6.50% 5/15/37	105,000	114,301
Lycoming County, Pennsylvania Authority Health System Revenue (Susquehanna Health System Project) Series A 5.50% 7/1/28	500,000	513,465
Maine Health & Higher Educational Facilities Authority Revenue (Maine General Medical Center) 6.75% 7/1/41	300,000	311,232
Maricopa County, Arizona Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West) Series A 6.00% 7/1/39	500,000	525,010
Maryland Health & Higher Educational Facilities Authority Revenue (Carroll Hospital) Series A 5.00% 7/1/37	315,000	307,138
Monroe County, Pennsylvania Hospital Authority Revenue (Pocono Medical Center) Series A 5.00% 1/1/41	500,000	466,710
Montgomery County, Pennsylvania Industrial Development Authority Revenue (Mortgage - Whitemarsh Continuing Care) 6.25% 2/1/35	675,000	653,474
New Hampshire Health and Education Facilities Authority Revenue (Dartmouth - Hitchcock Medical Center) 6.00% 8/1/38	300,000	321,147
New Jersey Health Care Facilities Financing Authority Revenue (St. Peters University Hospital) 6.25% 7/1/35	300,000	307,110
New Mexico Hospital Equipment Loan Council Revenue (Presbyterian Healthcare) 5.00% 8/1/39	500,000	499,260
New York State Dormitory Authority Revenue Non State Supported Debt (Orange Regional Medical Center) 6.25% 12/1/37	500,000	479,990
Orange County, Florida Health Facilities Authority Revenue (Mayflower Retirement Center)		

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	Series REF 5.00% 6/1/32	400,000	386,208
	Series REF 5.00% 6/1/36	250,000	236,303
	Series REF 5.125% 6/1/42	750,000	709,253
	Philadelphia, Pennsylvania Hospitals & Higher Education Facilities Authority Revenue (Temple University Health System) Series A 5.50% 7/1/30	300,000	259,803
	St. Cloud, Minnesota Health Care Revenue (Centracare Health System project) Series A 5.125% 5/1/30	820,000	862,681
	State of Ohio (Cleveland Clinic Health) Series A 5.50% 1/1/39	300,000	323,946
	University of Medical Center, Tuscon, Arizona Hospital Revenue 6.50% 7/1/39	500,000	533,575
	West Virginia Hospital Finance Authority Revenue (Highland Hospital Obligation Group) 9.125% 10/1/41	500,000	595,100
	Yavapai County, Arizona Industrial Development Authority Revenue (Yavapai Regional Medical Center) Series A 5.00% 8/1/28	720,000	719,597
			12,606,443
Housing Revenue Bonds	2.68%		
	California Municipal Finance Authority Mobile Home Park Revenue (Caritas Project) Series A 5.50% 8/15/47	750,000	735,278
	(Caritas Projects) Series A 6.40% 8/15/45	430,000	442,036
	City of Williston, Nevada (Eagle Crest Apartments Project) 7.75% 9/1/38	255,000	248,673

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## Schedule of investments

Delaware Investments<sup>®</sup> National Municipal Income Fund

	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds</b> (continued)		
Housing Revenue Bonds (continued)		
Florida Housing Finance Homeowner Mortgage Revenue Series 2 5.90% 7/1/29 (NATL-RE) (AMT)	165,000	\$ 166,214
		1,592,201
Lease Revenue Bonds 14.36%		
California State Public Works Board Lease Revenue (Various Capital Projects) Series A 5.00% 4/1/37	1,000,000	1,002,600
California Statewide Communities Development Authority Student Housing Revenue (Lancer Plaza project) 5.625% 11/1/33	1,000,000	889,890
Idaho State Building Authority Revenue (Health & Welfare project) Series A 5.00% 9/1/24 (State Police) Series I 5.00% 9/1/23	135,000 760,000	152,717 862,775
Minnesota State General Revenue Appropriations Series B 5.00% 3/1/29	2,000,000	2,184,660
New Jersey Economic Development Authority (School Facilities Construction) Series EE 5.00% 9/1/18	100,000	115,321
New York City, New York Industrial Development Agency (Senior Trips) Series A 5.00% 7/1/28	250,000	237,143
Pima County, Arizona Industrial Development Authority Metro Police Facility Revenue (Nevada Project) Series A 5.25% 7/1/31 Series A 5.375% 7/1/39	500,000 500,000	509,795 511,570
Public Finance Authority, Winconsin Airport Facilities Revenue (AFCO Investors II) 5.75% 10/1/31 (AMT)	500,000	449,855
San Jose, California Financing Authority Revenue (Civic Center Project) Series A 5.00% 6/1/28	500,000	536,865
Tobacco Settlement Financing Corporation, New York Revenue Asset-Backed Series B 5.00% 6/1/21	1,000,000	1,082,660
		8,535,851
Local General Obligation Bonds 2.44%		
City of New York, New York Series A-1 5.25% 8/15/21 Series I-1 5.375% 4/1/36	250,000 250,000	285,635 274,958
County of Ramsey, Minnesota Capital		



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	Improvement Series B 5.00% 2/1/18	300,000	348,318
	Gila County, Arizona Unified School District No. 10 (Payson School Improvement Project of 2006) Series A 5.25% 7/1/27 (AMBAC)	500,000	539,205
			1,448,116
Special Tax Revenue Bonds	24.60%		
	Anne Arundel County, Maryland Special Obligation Revenue (National Business Park - North project) 6.10% 7/1/40	200,000	205,502
	Brooklyn Arena Local Development, New York Pilot Revenue (Barclays Center Project) 6.25% 7/15/40	940,000	987,047
	6.50% 7/15/30	300,000	322,554
	California State Economic Recovery Series A 5.25% 7/1/21 ST GTD	260,000	305,141
	California Statewide Communities Development Authority Revenue (Statewide Inland Regional Center project) 5.375% 12/1/37	500,000	501,635
	Guam Government Business Privilege Tax Revenue Series A 5.00% 1/1/22	775,000	868,713
	Series B-1 5.00% 1/1/42	545,000	525,129
	Massachusetts Bay Transportation Authority Senior Series A 5.25% 7/1/29	200,000	228,548
	Miami-Dade County, Florida Special Obligation (Capital Appreciation & Income) Series B 5.00% 10/1/35 (NATL-RE)	1,000,000	1,000,830
	Mosaic District, Virginia Community Development Authority Revenue Series A 6.875% 3/1/36	520,000	572,114
	New Jersey Economic Development Authority Revenue 5.00% 6/15/28	200,000	200,406
	5.00% 6/15/29	800,000	792,336
	(School Facilities Construction) Series AA 5.50% 12/15/29	900,000	968,760
	New Jersey Transportation Trust Fund Series A 5.00% 6/15/42	110,000	110,827
	Series AA 5.00% 6/15/44	340,000	340,755

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	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds</b> (continued)		
Special Tax Revenue Bonds (continued)		
New York City, New York Industrial Development Agency Civic Facility Revenue (YMCA of Greater New York project) 5.00% 8/1/36	880,000	\$ 880,176
New York State Dormitory Authority Series A 5.00% 3/15/33 (State Personal Income Tax Revenue-Education) Series A 5.00% 3/15/38	1,000,000	1,061,280
	570,000	602,165
Northampton County, Pennsylvania Industrial Development Authority Revenue (Route 33 Project) 7.00% 7/1/32	230,000	218,813
Peoria, Arizona Municipal Development Authority Sales Tax & Excise Shared Revenue (Senior Lien & Subordinate Lien) Series SR LIEN 5.00% 1/1/18	1,085,000	1,244,636
Puerto Rico Sales Tax Financing Revenue Series A 6.00% 8/1/42 Series C 6.00% 8/1/39	235,000	175,625
	300,000	225,204
Regional Transportation District, Colorado Tax Revenue (Denver Transit Partners) 6.00% 1/15/41 (Fastracks project) Series A 5.00% 11/1/26	500,000	509,715
	500,000	555,935
Virginia Public Building Authority Series A 5.00% 8/1/26	1,000,000	1,106,670
Wyandotte County, Kansas City, Kansas Unified Government Special Obligation Revenue (Capital Appreciation) Sales Tax Subordinate Lien 0.00% 6/1/21 <sup>^</sup>	165,000	111,731
		14,622,247
State General Obligation Bonds 8.56%		
California State Various Purposes 5.00% 10/1/41 5.25% 11/1/40 6.00% 4/1/38	440,000	446,459
	320,000	332,246
	105,000	117,912
State of Minnesota Various Purposes Series F 5.00% 10/1/20	2,000,000	2,373,537
State of New York Series A 5.00% 2/15/39	300,000	318,639
State of Oregon Series K 5.00% 5/1/22	1,275,000	1,499,834
		5,088,627
Transportation Revenue Bonds 25.47%		
Bay Area, California Toll Authority Revenue (San Francisco Bay Area) 5.00% 4/1/27	750,000	827,715
Central Texas Regional Mobility Authority Revenue Senior Lien 6.00% 1/1/41	520,000	529,802
City of Chicago, Illinois O Hare International Airport Revenue (General-Senior Lien) Series D 5.25% 1/1/34	1,000,000	1,017,940
Foothill-Eastern, California Transportation Corridor Agency		

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Series A 5.00% 1/15/42 (AGM)	460,000	434,833
Maryland State Economic Development Revenue (Transportation Facilities Project) Series A 5.75% 6/1/35	255,000	257,338
Metropolitan Transit Authority of Harris County, Texas Series A 5.00% 11/1/24	500,000	559,565
Metropolitan Transportation Authority, New York Series A 5.00% 11/15/41	500,000	501,585
Series C 5.00% 11/15/30	500,000	515,800
Metropolitan Washington D.C. Airports Authority Dulles Toll Road Revenue (First Senior Lien) Series A 5.25% 10/1/44	245,000	247,156
New Jersey State Turnpike Authority Revenue Series A 5.00% 1/1/27	1,000,000	1,076,690
New York Liberty Development Revenue (1 World Trade Center Port Authority Construction) Series TRD CTR 5.00% 12/15/41 GO OF AUTH	500,000	504,890
North Texas Tollway Authority Special Projects System Series A 5.00% 9/1/20	250,000	291,090
Pennsylvania Turnpike Commission Subordinate (Special Motor License Foundation) Series SPL MTR LICENS 5.00% 12/1/22	500,000	556,550
Pennsylvania Turnpike Commission Subordinate (Special Motor License Foundation) Series B 5.00% 12/1/41	500,000	500,950
Port Authority of Allegheny County, Pennsylvania 5.75% 3/1/29	900,000	986,670

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## Schedule of investments

Delaware Investments<sup>®</sup> National Municipal Income Fund

	Principal Amount <sup>o</sup>	Value (U.S. \$)
<b>Municipal Bonds</b> (continued)		
Transportation Revenue Bonds (continued)		
Port Authority of New York & New Jersey Special Project (JFK International Air Terminal) 6.00% 12/1/42	230,000	\$ 244,681
6.50% 12/1/28	500,000	521,120
St. Louis Missouri Airport Revenue (Lambert St. Louis International) Series AMT 5.00% 7/1/32 (AMT)	1,000,000	969,490
St. Louis, Missouri Airport Revenue (Lambert St. Louis International) Series A-1 6.625% 7/1/34	325,000	360,906
State of Oregon Department of Transportation Series A 5.00% 11/15/26	1,000,000	1,146,870
Texas Private Activity Bond Surface Transportation Corporate Senior Lien Revenue (LBJ Infrastructure) 7.00% 6/30/40	285,000	308,909
7.50% 6/30/33	665,000	742,632
(Mobility Partners) 7.50% 12/31/31	500,000	555,910
(NTE Mobility Partners) 6.75% 6/30/43 (AMT)	225,000	235,872
6.875% 12/31/39	1,000,000	1,072,100
7.00% 12/31/38 (AMT)	165,000	177,202
		15,144,266
<b>Water &amp; Sewer Revenue Bonds 7.16%</b>		
Atlanta, Georgia Water & Wastewater Revenue Series A 6.25% 11/1/39	950,000	1,069,016
Los Angeles, California Wastewater System Revenue Series A 5.00% 6/1/27	500,000	556,140
New York City, New York Municipal Water Finance Authority (Second General Resolution) Series BB 5.25% 6/15/44	525,000	547,864
Phoenix, Arizona Civic Improvement Wastewater Systems Revenue (Junior Lien) Series A 5.00% 7/1/39	900,000	941,238
San Francisco, California City & County Public Utilities Commission Water Revenue Series F 5.00% 11/1/27	500,000	557,425
Texas State Series C 5.00% 8/1/22	500,000	584,540
		4,256,223
<b>Total Municipal Bonds</b>		<b>87,527,294</b>
(cost \$87,189,721)		
<b>Short-Term Investments 1.26%</b>		
Variable Rate Demand Notes 1.26% <sup>□</sup>		
California State Series B-7 0.01% 5/1/40(LOC- JPMorgan Chase Bank N.A.)	250,000	250,000

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Minneapolis - St. Paul, Minnesota  
 Housing & Redevelopment  
 Authority Health Care Revenue  
 Series B-2 (Allina Health System)  
 0.02% 11/15/35(LOC- JPMorgan  
 Chase Bank N.A.)

	500,000	500,000
<b>Total Short-Term Investments</b>		
(cost \$750,000)		<b>750,000</b>
<b>Total Value of Securities</b> 148.49%		
(cost \$87,939,721)		<b>88,277,294</b>
<b>Liquidation Value of Preferred</b>		
<b>Stock</b> (50.46%)		<b>(30,000,000)</b>
<b>Receivables and Other Assets Net</b>		
<b>of Liabilities</b> 1.97%		<b>1,173,640</b>
<b>Net Assets Applicable to</b>		
<b>26,729,377 Shares</b>		
<b>Outstanding</b> 100.00%		<b>\$ 59,450,934</b>

# Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At Dec. 31, 2013, the aggregate value of Rule 144A securities was \$136,937, which represents 0.23% of the Fund's net assets. See Note 4 in Notes.

▣ Tax-exempt obligations that contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the unpaid principal balance plus accrued interest upon a short notice period (generally up to 30 days) prior to specified dates either from the issuer or by drawing on a bank letter of credit, a guarantee or insurance issued with respect to such instrument. The rate shown is the rate as of Dec. 31, 2013.

° Principal amount shown is stated in U.S. Dollars unless noted that the security is denominated in another currency. Variable rate security. The rate shown is the rate as of Dec. 31, 2013. Interest rates reset periodically.

^ Zero coupon security. The rate shown is the yield at the time of purchase.

**Summary of abbreviations:**

AGM Insured by Assured Guaranty Municipal Corporation

AMBAC Insured by AMBAC Assurance Corporation

AMT Subject to Alternative Minimum Tax

NATL-RE Insured by National Public Finance Guarantee Corporation

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# Notes

## Delaware Investments® National Municipal Income Fund

December 31, 2013 (Unaudited)

### 1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and are consistently followed by Delaware Investments National Municipal Income Fund (Fund). This report covers the period of time since the Fund's last fiscal year end.

**Security Valuation** Debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Trustees (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security.

**Federal Income Taxes** No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken for all open federal income tax years (March 31, 2010 - March 31, 2013), and has concluded that no provision for federal income tax is required in the Fund's financial statements.

**Use of Estimates** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of investments, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

**Other** Expenses directly attributable to the Fund are charged directly to the Fund. Other expenses common to various funds within the Delaware Investments® Family of Funds are generally allocated among such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Interest income is recorded on the accrual basis. Discounts and premiums on debt securities are amortized to interest income over the lives of the respective securities using the effective interest method. The Fund declares and pays dividends from net investment income monthly and distributions from net realized gain on investments, if any, annually. The Fund may distribute more frequently, if necessary for tax purposes. Dividends and distributions, if any, are recorded on the ex-dividend date.

### 2. Investments

At Dec. 31, 2013, the cost of investments federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At Dec. 31, 2013, the cost of investments and unrealized appreciation (depreciation) for the Fund were as follows:

Cost of Investments	\$ 87,964,583
Aggregate unrealized appreciation	\$ 2,054,117
Aggregate unrealized depreciation	(1,741,406)
Net unrealized appreciation	\$ 312,711

For federal income tax purposes, at March 31, 2013, capital loss carryforwards of \$407,888 may be carried forward and applied against future capital gains. Capital loss carryforwards will expire as follows: \$407,888 expires in 2018.

On Dec. 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the Act) was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes were generally effective for taxable years beginning after the date of enactment. Under the Act, the Fund is permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for

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an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation.

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three level hierarchy of inputs is summarized below.

Level 1	inputs are quoted prices in active markets for identical investments (e.g., equity securities, open-end investment companies, futures contracts, exchange-traded options contracts)
Level 2	other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs) (e.g., debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities)

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## Notes

### Delaware Investments<sup>®</sup> National Municipal Income Fund

#### 2. Investments (continued)

Level 3 inputs are significant unobservable inputs (including the Fund's own assumptions used to determine the fair value of investments) (e.g., broker-quoted securities, fair valued securities)

Level 3 investments are valued using significant unobservable inputs. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Valuations may also be based upon current market prices of securities that are comparable in coupon, rating, maturity and industry. The derived value of a Level 3 investment may not represent the value which is received upon disposition and this could impact the results of operations.

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of Dec. 31, 2013:

	Level 2
Municipal Bonds	\$87,527,294
Short-Term Investments	750,000
Total	\$88,277,294

During the period ended Dec. 31, 2013, there were no transfers between Level 1 investments, Level 2 investments or Level 3 investments that had a significant impact to the Fund. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period.

#### 3. Preferred Stock

On March 15, 2012, the Fund issued \$30,000,000 Series 2017 Variable Rate MuniFund Term Preferred (VMTP) Shares, with \$100,000 liquidation value per share in a privately negotiated offering. Proceeds from the issuance of VMTP Shares, net of offering expenses, were invested in accordance with the Fund's investment objective. The VMTP Shares were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

The Fund is obligated to redeem its VMTP Shares on April 1, 2017, unless earlier redeemed or repurchased by the Fund. VMTP Shares are subject to optional and mandatory redemption in certain circumstances. The VMTP Shares may be redeemed at the option of the Fund, subject to payment of a premium until April 1, 2014, and at par thereafter. The Fund may be obligated to redeem certain of the VMTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. Dividends on the VMTP Shares (which are treated as interest payments for financial reporting purposes) are set weekly.

The Fund uses leverage because its managers believe that, over time, leveraging may provide opportunities for additional income and total return for common shareholders. However, the use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage; accordingly, the use of structural leverage may hurt the Fund's overall performance.

Leverage may also cause the Fund to incur certain costs. In the event that the Fund is unable to meet certain criteria (including, but not limited to, maintaining certain ratings with Fitch Ratings and Moody's Investors Service (Moody's), funding dividend payments or funding redemptions), the Fund will pay additional fees with respect to the leverage.

#### 4. Geographic, Credit and Market Risk

The Fund concentrates its investments in securities issued by municipalities, and may be subject to geographic concentration risk. In addition, the Fund has the flexibility to invest in issuers in Puerto Rico, the Virgin Islands, and Guam whose bonds are also free of individual state income taxes. The value of the Fund's investments may be adversely affected by new legislation within the states, regional or local economic conditions, and differing levels of supply and demand for municipal bonds. Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Fund. At Dec. 31, 2013, 3.60% of the Fund's net assets were insured by bond insurers.

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These securities have been identified in the schedule of investments.

The Fund invests a portion of its assets in high yield fixed income securities, which are securities rated BB lower or by Standard & Poor's (S&P) and/or Ba or lower by Moody's, or similarly rated by another nationally recognized statistical rating organization. Investments in these higher yielding securities are generally accompanied by a greater degree of credit risk than higher rated securities. Additionally, lower rated securities may be more susceptible to adverse economic and competitive industry conditions than investment grade securities.

The Fund may invest in advanced refunded bonds, escrow secured bonds or defeased bonds. Under current federal tax laws and regulations, state and local government borrowers are permitted to refinance outstanding bonds by issuing new bonds. The issuer refinances the outstanding debt to either reduce interest costs or to remove or alter restrictive covenants imposed by the bonds being refinanced. A refunding transaction where the municipal securities are being refunded within 90 days from the issuance of the refunding issue is known as a current refunding. Advance refunded bonds are bonds in which the refunded bond issue remains outstanding for more than 90 days following the issuance of the refunding issue. In an advance refunding, the issuer will use the proceeds of a new bond issue to purchase high grade interest bearing debt securities which are then deposited in an irrevocable escrow account held by an escrow agent to secure all future payments of principal and interest and bond premium of the advance refunded bond. Bonds are escrowed to maturity when the proceeds of the refunding issue are deposited in an escrow account for investment sufficient to pay all of the principal and interest on the original interest payment and maturity dates.

Bonds are considered pre-refunded when the refunding issue's proceeds are escrowed only until a permitted call date or dates on the refunded issue with the refunded issue being redeemed at the time, including any required premium. Bonds become defeased when the rights and interests of the bondholders and of their lien on the pledged revenues or other security under the terms of the bond contract are substituted with an alternative source of revenues (the escrow securities) sufficient to meet payments of principal and interest to maturity or to the first call dates. Escrowed secured bonds will often receive a rating of AAA from Moody's, S&P, and/or Fitch Ratings due to the strong credit quality of the escrow securities and the irrevocable nature of the escrow deposit agreement.

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Certain obligations held by the Fund may have liquidity protection to ensure that the receipt of payments due on the underlying security is timely. Such protection may be provided through guarantees, insurance policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transactions or through a combination of such approaches. The Fund will not pay any additional fees for such credit support, although the existence of credit support may increase the price of a security.

The Fund may invest up to 15% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Fund's Board has delegated to Delaware Management Company, a series of Delaware Management Business Trust, the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid securities. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Fund's 15% limit on investments in illiquid securities. As of Dec. 31, 2013, no securities have been determined to be illiquid under the Fund's Liquidity Procedures. Rule 144A securities have been identified on the schedule of investments.

## 5. Subsequent Events

Management has determined that no material events or transactions occurred subsequent to Dec. 31, 2013 that would require recognition or disclosure in the Fund's schedule of investments.

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**Item 2. Controls and Procedures.**

The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of the filing of this report and have concluded that they are effective in providing reasonable assurance that the information required to be disclosed by the registrant in its reports or statements filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There were no significant changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), exactly as set forth below:

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